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REMARKS

Claims 1-36 are pending in the application. Claims 1-4, 6-10, 12-14, 16-19, 21-24, 26-30 and 32-36 are rejected under 35 U.S.C. § 103(a) as being unpatentable over Wang *et al.* (U.S. Patent No. 6,167,084; hereinafter "Wang"). Claims 5, 11, 15, 20, 25 and 31 are objected to as being dependent upon a rejected base claim, but would be allowable if rewritten in independent form including all of the limitations of the base claim and any intervening claims. Applicant submits the following in traversal of the claim rejections.

Applicant respectfully submits that claim 1 is believed to be patentable because Wang fails to teach, suggest or provide motivation for the complexity estimation unit and the video encoding unit, as recited in the claim. In the previous Amendment, Applicant had argued that the rate control processor 610 of Wang is different from the claimed complexity estimation unit in that the rate control processor 610 determines a new target number of bits for each new program frame or picture based on the program complexity for the encoded program frame. In response, the Examiner argues in the current Office Action that the application of the new target number of bits determined by the rate control processor being applied to the current frame or picture is inherently implemented in motion estimation. Applicant respectfully disagrees.

The fact that a certain result or characteristic may occur or be present in the prior art is not sufficient to establish the inherency of that result or characteristic. In re Rijckaert, 9 F.3d 1531, 1534, 28 USPQ2d 1955, 1957 (Fed. Cir. 1993); In re Oelrich, 666 F.2d 578, 581-82, 212 USPQ 323, 326 (CCPA 1981). "To establish inherency, the extrinsic evidence 'must make clear that the missing descriptive matter is necessarily present in the thing described in the reference, and that it would be so recognized by persons of

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ordinary skill. Inherency, however, may not be established by probabilities or possibilities.

The mere fact that a certain thing may result from a given set of circumstances is not

sufficient." In re Robertson, 169 F.3d 743, 745, 49 USPQ2d 1949, 1950-51 (Fed. Cir.

1999) (citations omitted).

Further,

In relying upon the theory of inherency, the examiner must provide a basis in fact and/or technical reasoning to reasonably support the determination that the allegedly inherent characteristic necessarily flows from the teachings of the applied prior art." Ex parte Levy, 17 USPQ2d 1461, 1464 (Bd. Pat. App. & Inter. 1990).

Here, the Examiner provides no basis in fact and/or technical reasoning to reasonably support his determination that the new target number of bits determined by the rate control processor being applied to the current frame or picture is inherently implemented in motion estimation. As previously noted, Wang discloses the rate control processor 610 which determines a new target number of bits for each new program frame or picture and not the current program frame or picture. Given the teachings of Wang and the lack of any basis for justification, the Examiner's characterization of Wang as inherently disclosing the complexity estimation unit and or the video encoding unit is not supported.

For reasons similar to those submitted for claim 1, claims 12, 17 and 22 are believed to be patentable.

Claims 2-4, 6-8 and 35, which depend from claim 1, claims 13, 14, and 16, which depend from claim 12, claims 18, 19, and 21, which depend from claim 17, and claims 23, 24, 26-28 and 36, which depend from claim 22, are believed to be patentable for at least the reasons submitted for their respective base claims

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In view of the above, reconsideration and allowance of this application are now believed to be in order, and such actions are hereby solicited. If any points remain in issue which the Examiner feels may be best resolved through a personal or telephone interview, the Examiner is kindly requested to contact the undersigned at the telephone number listed below.

The USPTO is directed and authorized to charge all required fees, except for the Issue Fee and the Publication Fee, to Deposit Account No. 19-4880. Please also credit any overpayments to said Deposit Account.

Respectfully submitted,

Limited Recognition No. L0212

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